

REAL ESTATE COMMISSION
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii

MINUTES OF MEETING

The agenda for this meeting was filed with the Office of the Lieutenant Governor as required by Section 92-7(b), Hawaii Revised Statutes.

Date: Friday, October 28, 1988

Time: 9:00 a.m.

Place: Kuhina Nui Room, Second Floor
(fka Board Room)
Kamamalu Building
1010 Richards Street
Honolulu, Hawaii

Present: Gloria Damron, Chairman
Yukio Takeya, Hawaii Member
Larry Ordonez, Public Member
Yoshiko Kano, Kauai Member
Peter Yanagawa, Member
Marcus Nishikawa, Member (Late arrival/
Early departure)

Calvin Kimura, Executive Secretary
Cynthia Yee, Information Officer
Russell Wong, Assistant Information Officer
Irene Kotaka, Secretary

Glenn Grayson, Deputy Attorney General
Rodney Maile, Hearings Officer
Nicholas Ordway, Chairholder/Director,
Hawaii Real Estate Research & Education
Center
Gary Au Young, Recovery Fund Counsel

Vern York, Licensee
Julia Sohn, Licensee
Stuart Cowan, Attorney for Julia Sohn
Philip Nerney, Licensee

Excused: Douglas Sodetani, Maui Member
Michele Matsuo, Public Member
Constance Smales, Public Member

Call to Order: The meeting was called to order by
Chairman Damron at 9:15 a.m., at which
time quorum was established.

Executive
Secretary's
Report:

The Executive Secretary reported that Carolyn Paet was hired through the Education Fund as the Continuing Education Clerk. She will begin on November 1, 1988.

The real estate license renewal notices will be mailed out to all the licensees on November 7, 1988. Renewal notices for corporations, sole proprietorships, partnerships and branch offices shall be mailed to the business address. Renewal notices for others shall be mailed to the residence addresses.

The Real Estate Bulletin was printed in a new 8-1/2" x 11" format beginning with the September 1988 issue.

Commissioner Nishikawa and the Executive Secretary shall be meeting with the Director to discuss office space for the Real Estate Commission.

Approval of
Minutes:

The approval of the September 30, 1988 was deferred to the November 30, 1988 Real Estate Commission Meeting.

Commissioner Nishikawa arrived.

Additions to
the Agenda:

Commissioner Takeya moved to add the following items to the agenda:

1. Hearings Officers Report:
 - a. Vernon York
 - b. James Chen
2. Licensing - Restoration of Forfeited License
 - a. Jackie Lynn P. Burke, 01/01/85
 - b. David Bixby, 01/01/87
3. Licensing - Questionable Applications
 - a. Island Homes
 - b. Maryl Development, Inc.
 - c. Hannon Realty Inc.
 - d. Worrall-McCarter-Maui, Inc.

Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

Licensing:

QUESTIONABLE APPLICATIONS

JULIA SOHN

This item was taken out of order due to the presence of Ms. Sohn and her attorney, Stuart Cowan.

Ms. Sohn and her attorney, Stuart Cowan, have requested a reconsideration of Ms. Sohn's real estate salesperson license.

Ms. Sohn stated that she has been employed as a collector with Uni-Check for the past 7 months.

Ms. Sohn stated that she at one time had a real estate broker's license which was subsequently revoked.

Mr. Cowan asked Ms. Sohn if restitution had been made to the injured party. Ms. Sohn stated that she had requested that the plaintiff's attorney furnish her with an accounting of the moneys owed but she has not as yet received any response. She stated that there is a judgment against her personally that is outstanding that is attached to several of her properties but they have never garnisheed her accounts or commenced foreclosure proceedings. No claim has been filed from the real estate recovery fund.

When asked by Mr. Cowan, Ms. Sohn stated that she is currently working with the attorney to resolve the judgment against her.

Mr. Cowan requested that Ms. Sohn provide the Commission with the background of the case involving Mr. Savala.

Ms. Sohn stated:

Mr. Savala had contacted her to assist him in foreclosure proceedings for the apartments that he had purchased. Mr. Savala did not have any money left to pay for the apartments because he had obtained attorneys to represent him against criminal action. Mr. Savala was not able

to find a real estate broker to represent him and so he asked her to represent him in the foreclosure proceedings. Mr. Savala gave her a power of attorney. She placed an ad in the newspaper to sell the apartment. She obtained a valid contract for \$175,000 and the contract was accepted in court.

The offer by the agreement of sale vendor who had brought in his own private sale was for \$130,000 which would have net Mr. Savala \$123,000 which would not be enough to cover what Mr. Savala owed. Another offer was submitted by the association of apartment owners, who offered \$140,000. This would have netted Mr. Savala \$17,000 more than the first offer.

Prior to signing an affidavit drawn up by the attorney, she had informed the attorney that she was not in the business of selling real estate but she did have a power of attorney from Mr. Savala. She stated that the attorney had misunderstood her status as being inactive. She stated that she did not read the affidavit that was prepared before signing, nor would she have an opportunity to correct it.

She stated that Judge Philip Chun was aware of her license status. Judge Chun accepted the affidavit and stated that a public auction should be held and foreclosure proceedings should continue.

She also stated that in an effort to end litigation proceedings, she entered into a stipulation with the State and agreed to pay a fine of \$1,000. She has since paid the fine.

She stated that she feels that she has acted in the best interests of the public and that she did not make any misrepresentations about her status. She has not been engaged in any real estate transactions other than her own personal properties since her license was revoked.

Upon a motion by Commissioner Takeya, seconded by Commissioner Kano, it was voted on and unanimously carried to take this matter under advisement.

Hearings Officers'
Report:

ARTHUR J. SONEN, RE 87-90, et al

Upon a motion by Commissioner Takeya, seconded by Commissioner Kano, it was voted on and unanimously carried to approve the Settlement Agreement.

JOANNE P. SONEN, RE 87-90, et al

Upon a motion by Commissioner Takeya, seconded by Commissioner Kano, it was voted on and unanimously carried to approve the Settlement Agreement.

VERNON YORK, RE 85-35

Mr. York was present to request a reconsideration of the September 30, 1988 decision on disciplinary course requirement.

Mr. York stated that he had signed up for the GRI II course, pursuant to the Commission's Final Order, dated November 25, 1987. However, since the class was filled, the Hawaii Association of Realtors automatically transferred him to the GRI III course. He took and completed the GRI III course and will probably finish the GRI series of courses.

After a review of the information submitted and presented by the applicant, Commissioner Takeya moved to accept the Graduate Realtors Institute (GRI) III course as fulfilling the requirement for the Commission's Final Order, dated November 25, 1987. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

JAMES CHEN, RE 87-90, et al

After a review of the information submitted by the applicant, Commissioner Takeya moved to accept the Getting Started course, conducted by the Hawaii Association of Realtors, as fulfilling the course requirement for the Commission's Final Order, dated June 24, 1988. Mr. Chen is to complete the course by December 25, 1988. Commissioner Yanagawa seconded the motion. The motion was voted on and unanimously carried.

Committee Reports: EDUCATION COMMITTEE

Upon a motion by Commissioner Nishikawa, seconded by Commissioner Yanagawa, it was voted on and unanimously carried to adopt the following recommendations of the October 19, 1988 Education Committee Meeting as follows:

1. Adopt, in principle, for public hearing, the proposed rules implementing mandatory continuing education for all licensees and that copies of the proposed rules be circulated for comments to industry groups, the real estate school's association and other interested parties prior to finalizing the proposed rules for the review by the Attorney General and by other individuals that are a part of the rule making process.
2. Approve payment of NARELLO's 1988-1989 membership and the October 1988 conference registration fees from the Education Fund for the Department's Special Assistant to the Real Estate Commission.

COMPUTER UPDATE

The Assistant Information Officer has developed guidelines for the request for proposals for the computer software. The memorandum requesting computer hardware has been forwarded to the Director.

CONTINUING EDUCATION WORKSHOP UPDATE

Dr. Ordway reported that the Instructors Workshop is tentatively scheduled for the first week in December. A two or three hour session on general approaches to teaching will be held before breaking into continuing education sessions. Instructor manuals will be prepared for distribution. A total of 100 test questions will be completed.

SCANTRON FORMS

Dr. Ordway has received two Scantron forms from the University and one from the State of Kansas. These will be made available at the next Education Meeting.

The Center is in the process of creating a continuing education brochure which will be a four-page insert to the Real Estate Bulletin. The brochures will be made available with the next Real Estate Bulletin. Dr. Ordway stated that the Center will make available masters of the brochure to the local boards for reproduction.

Chairman Damron commended Commissioner Smales, the Information Officer, and the Assistant Information Officer for their hard work in developing the continuing education program.

REAL ESTATE RESEARCH AND EDUCATION CENTER

The Center has prepared brochures on selling a home, buying a home, and dual agency brochures.

CONDOMINIUM HOTEL OPERATORS STUDY

Dr. Ordway reported that he has met with members of the industry.

Dr. Ordway distributed copies of the condo hotel related complaints form. This form will be used as a data base.

REAL ESTATE APPRAISERS AND APPRAISALS

A preliminary report on the licensing requirements for real estate appraisers and appraisals will be presented at the November 1988 meeting.

CONDOMINIUM AND COOPERATIVE REVIEW COMMITTEE

No report was presented as the October 27, 1988 Condominium and Cooperative Review Committee Meeting was cancelled due to a lack of quorum.

LAWS AND RULES REVIEW COMMITTEE

No report was presented as the October 27, 1988 Laws and Rules Review Committee Meeting was cancelled due to a lack of quorum.

Recovery Fund
Reports:

In consideration of Mr. Au Young's presence, discussion on this item was taken out of order.

DAVID K. W. LEE AND RACHEL K. LEE VS.
ANDREW K. AIU, CIVIL NO. 78553

Mr. Au Young reported that the plaintiffs failed to properly notify the Commission of commencement proceedings in the above-mentioned case. The plaintiffs received a judgment from Bankruptcy court based on fraud. Mr. Au Young appealed the matter. The court denied payment from the Real Estate Recovery Fund.

Licensing:

QUESTIONABLE APPLICATION - PHILIP NERNEY

Mr. Nerney appeared before the Commission to request approval to apply for a real estate salesperson's license.

Mr. Nerney stated that his real estate salesperson's license was forfeited on January 1, 1983. He graduated from law school in 1986. In March 1988, he applied to reactivate his license. He was

informed by the Licensing Branch that his license was forfeited and would have to be restored. He took and passed the September 1988 real estate examination. He received from the Educational Testing Service, an application for deferral of real estate license. However, because he had petitioned for restoration of his real estate license, he was not allowed to apply for deferred licensing. Mr. Nerney stated that had he applied for an educational waiver, he would have received an educational waiver based on his degree from an accredited law school. He could have then applied for his license as a new licensee. Therefore, Mr. Nerney requested that the Commission grant him an educational waiver based on his degree from an accredited law school, accept his application for deferred license, and allow him to apply for his license as a new licensee.

After a review of the information presented by the applicant, Commissioner Takeya moved that Mr. Nerney's application for deferred new salesperson license be accepted, his previous license be expunged from the records, that he complete an application for educational waiver, and that any previous salesperson experience not be considered for the broker's experience certificate. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

Executive Session:

Upon a motion by Commissioner Takeya, seconded by Commissioner Yanagawa, it was voted on and unanimously carried to enter into Executive Session, pursuant to Chapter 92-5(a)(1), "To consider and evaluate personal information relating to individuals applying for professional or vocational licenses cited in section 26-9 or both;" at 10:50 a.m.

Upon a motion by Commissioner Takeya, seconded by Commissioner Yanagawa, it was voted on and unanimously carried to move out of Executive Session at 11:40 a.m.

Commissioner Nishikawa was excused from the meeting.

Licensing:

RESTORATIONS

Cotten, James M. Broker

After a review of the information submitted by the applicant, Commissioner Yanagawa moved that restoration be approved upon submitting of evidence of successfully passing the real estate broker's examination with a one-time waiver of the education and experience requirements. Commissioner Nishikawa seconded the motion. The motion was voted on and unanimously carried.

Marshall, Camela S. Salesperson

After a review of the information submitted by the applicant, Commissioner Takeya moved that the restoration be approved upon submitting evidence of successfully passing the real estate salesperson's licensing examination with a one-time waiver of the education requirements. Commissioner Yanagawa seconded the motion. The motion was voted on and unanimously carried.

Prentiss, Karen E. Broker

Commissioner Takeya asked the Chairman if he should refrain from voting because he deals with Bishop Trust Company. Chairman Damron ruled that it would not be a conflict of interest.

After a review of the information submitted by the applicant, Commissioner Yanagawa moved that restoration be approved upon submitting evidence of successful completion of a Commission-approved real estate course. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

Abe, Victoria K.	Salesperson
Meares, Paul A.	Salesperson
Ota, Renee May Y.	Salesperson
Yamashiro, Judy	Salesperson

After a review of the information submitted by the applicants, Commissioner Takeya moved that restoration be approved upon submitting evidence of successful completion of a Commission-approved real estate course. Commissioner Yanagawa seconded the motion. The motion was voted on and unanimously carried.

Yamanaka, Gary H.	Salesperson
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After a review of the information submitted by the applicant, Commissioner Takeya moved that restoration be approved upon submitting evidence of successful completion of a Commission-approved real estate pre-licensing course. Commissioner Yanagawa seconded the motion. The motion was voted on and unanimously carried.

Burke, Jackie Lynn P.	Salesperson
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After a review of the information submitted by the applicant, Commissioner Takeya moved that restoration be approved upon submitting evidence of successfully passing the real estate salesperson's licensing examination with a one-time waiver of the education requirements. Commissioner Yanagawa seconded the motion. The motion was voted on and unanimously carried.

Bixby, David	Salesperson
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After a review of the information submitted by the applicant, Commissioner Takeya moved that restoration be approved upon submitting evidence of successful completion of the RE 673, Business Property Administration course, given by the University of Hawaii. Commissioner Yanagawa seconded the motion. The motion was voted on and unanimously carried.

QUESTIONABLE APPLICATIONS

Blackfield Hawaii Properties, Inc.

Upon a motion by Commissioner Takeya, seconded by Commissioner Kano, it was voted on and unanimously carried to refer this matter to Commission staff for decision making.

Blankenship, Filomena C.

After a review of the information submitted by the applicant, Commissioner Takeya moved to approve Ms. Blankenship's Application for Educational Waiver. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

Coldwell Banker McCormack Commercial Group, Inc. dba Coldwell Banker Commercial Real Estate Services

After a review of the information submitted by the applicant, Commissioner Takeya moved to approve the tradename of Coldwell Banker Real Estate Management Services, provided that the tradename be listed as a dba of Coldwell Banker Commercial Group, Inc. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

Eastpac Realty Corporation

Commissioner Takeya moved to grant reconsideration of the Commission's decision dated September 30, 1988. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

After a review of the information submitted by the applicant, Commissioner Takeya moved to approve the Change Form application for Eastpac Corporation as it has received zoning approval from the City

and County of Honolulu's Department of Land Utilization. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

Hawaii Land Management, Inc. dba Kona Bay Estates

Upon a motion by Commissioner Takeya, seconded by Commissioner Kano, this matter was deferred to a later date. The motion was voted on and unanimously carried.

Island Homes

After a review of the information submitted by the applicant, Commissioner Takeya moved to deny the preliminary request for one broker-in-charge for two branch offices. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

Maryl Development, Inc.

After a review of the information submitted by the applicant, Commissioner Takeya moved to approve the request for site office extension pending receipt of documentation from the County of Hawaii permitting a site office. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

Hannon Realty Inc.

After a review of the information submitted by the applicant, Commissioner Takeya moved to approve the applicant's request for site office extension pending receipt of documentation from the City and County of Honolulu permitting a site office. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

Worrall-McCarter-Maui, Inc.

After a review of the information submitted by the applicant, Commissioner Takeya moved to approve the application for corporation of Worrall-McCarter-Maui, Inc. Commissioner Kano seconded the motion. The motion was voted on and unanimously carried.

Other Business:

REALTOR OF THE YEAR

Upon a motion by Commissioner Kano, seconded by Commissioner Takeya, it was voted on and unanimously carried to recognize Commissioner Nishikawa for being selected the Hawaii Association of Realtors' Outstanding Realtor of the Year. An article will be featured in the next issue of the Real Estate Bulletin.

Next Meeting:

Wednesday, November 30, 1988
Kuhina Nui Room (fka Board Room)
Second Floor, Kamamalu Building
1010 Richards Street
Honolulu, Hawaii

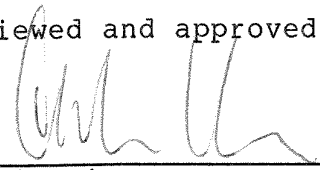
Adjournment:

With no further business to discuss, Chairman Damron adjourned the meeting at 12:20 p.m.

Respectfully submitted,


Irene S. Kotaka, Secretary

Reviewed and approved:



Calvin Kimura
Executive Secretary



Date